

Minutes
Wylie Economic Development Corporation
Board of Directors Meeting

Wednesday, February 23, 2011 – 6:30 A.M.
WEDC Offices – Conference Room
250 South Highway 78 – Wylie, Texas

CALL TO ORDER

Announce the presence of a Quorum

President Fuller called the meeting to order at 6:32 a.m. Board Members present were: John Yeager, Mitch Herzog, Chris Seely, and Todd Wintters.

WEDC staff present was Executive Director Sam Satterwhite and Administrative Assistant Gerry Harris.

Ex-officio member Eric Hogue was present. Assistant City Manager Jeff Butters also attended the meeting.

CITIZEN PARTICIPATION

There being no citizen participation, President Fuller proceeded to Action Items.

ACTION ITEMS

ITEM NO. 1 – Consider and act upon approval of the January 21, 2011 Minutes of the WEDC Board of Directors Meeting.

MOTION: A motion was made by Mitch Herzog and seconded by John Yeager to approve the January 21, 2011 Minutes of the WEDC Board of Directors Meeting. The WEDC Board voted 5– FOR and 0 – AGAINST in favor of the motion.

ITEM NO. 2 – Consider and act upon approval of the January 2011 WEDC Treasurer's Report.

MOTION: A motion was made by John Yeager and seconded by Mitch Herzog to approve the January 2011 WEDC Treasurer's Report. The WEDC Board voted 5 – FOR and 0 – AGAINST in favor of the motion.

ITEM NO. 3 – Consider and act upon issues surrounding the construction of a 96,000 square foot industrial facility at 1405 Martinez Lane.

Staff reported on the progress of the construction of the 96,000 square foot industrial facility at 1405 Martinez Lane. The paving permit was issued by the City of Wylie on 2-18-11. Drilling of

the piers and pouring of the specialized pit to support the extrusion press will begin on 2-21-11 as well as the retaining wall between SAF-Holland and the WEDC site. Also being prepared and poured is the new outside storage area for SAF-Holland.

The southern entrance to the site off of Martinez has been redesigned over the last week due to the gas distribution line not having enough depth at the original location. After reporting all issues to the City Engineer, he suggested that the fire lane be brought straight out to Martinez opposed to utilizing the mutual access easement between Savage and the WEDC properties. While this design is not typically allowed because of the proximity to the Savage entrance (30 feet), the City Engineer believed there was no other way to design the entrance without creating an undue hardship on the entire site design. The only negative to this design will be confusion in entering the site with the Savage entrance so close and a significantly more narrow entrance.

The other significant event has been an error in calculating the development fees. In July 2010 as construction budgets were being developed, staff received an estimate from the City of Wylie for fees totaling \$108,825. The fees have been recalculated at approximately \$280,000. This figure is still an estimate based upon Tap Fees not being finalized as of yet. Within the \$108,825 figure were thoroughfare, water, and sewer impact fees of \$36,600. Actual fees have been calculated at \$238,500. It was indicated that while an error was made in calculating the estimate, WEDC staff should have discovered the error based upon its knowledge of fees.

The Board requested that staff investigate whether Martinez Lane is part of the Capital Improvement Plan. If it is part of the CIP, the Board asked staff to pursue some credit for the improvements funded by the WEDC (\$413,000). If Martinez Lane is not part of the CIP, the Board asked that staff present a request to the City Council for a waiver on the thoroughfare impact fee no later than March 22nd. The Board directed staff however that should Council approve a waiver or reduction of thoroughfare impact fees, the total fees paid by the WEDC/Ascend not be less than \$108,000.

It was also reported that the City Manager has authorized the Building Department to release all permits prior to paying the permit fees while a course of action is determined.

MOTION: A motion was made by Todd Winters and seconded by Mitch Herzog to request from the Wylie City Council a credit or waiver of thoroughfare impact fees. The WEDC Board voted 5 – FOR and 0 – AGAINST in favor of the motion.

ITEM NO 4 – Consider and act upon issues surrounding financial assistance to VS Rhinestone Design.

Staff reported that the owner of VS Rhinestone Design contacted the WEDC inquiring as to the potential for financial assistance in relocating their company from Rowlett to Wylie. VS designs and distributes rhinestone designed transfers with the majority of its sales made via the internet. VS currently leases a 4,000 square foot facility in Rowlett and employs 5 individuals. VS is contemplating purchasing a 6,000 square foot building from Regions Bank located at 10A

Regency Drive. Staff was presented with an estimate of \$40,000 in relocation costs (\$10,000 attributed to the relocation and installation of equipment).

The relocation/installation of equipment pertains to 4 machines currently in operation at VS which attach rhinestones to a transfer. The machines have a minimal personal property value which staff assumed is depreciated rapidly. While there is very little new value attributed to this request for assistance, there are 5 jobs and a vacant building which will be occupied by an owner/operator.

It was recommended that a letter of agreement be executed by staff for the reimbursement of up to \$5,000 to VS Rhinestone Design for the relocation/installation of equipment to 10A Regency Drive following confirmation of closing on the purchase of the property and relocation/installation.

MOTION: A motion was made by John Yeager and seconded by Todd Winters to authorize staff to execute a letter of agreement between the WEDC and VS Rhinestone Design for the reimbursement of relocation costs in an amount not to exceed \$5,000. The WEDC Board voted 5 – FOR and 0 – AGAINST in favor of the motion.

ITEM NO. 5 – Consider and act upon issues surrounding the WEDC FY 2010 – 2011 Budget as it pertains to advertising expenses.

Staff reported that the WEDC currently funds a billboard facing southbound traffic on State Highway 78 coming from Rockwall, Lavon, and Farmersville. The contract expires on March 1, 2011 with \$9,200 budgeted for renewal. For the last three years the WEDC has promoted Woodbridge Crossing and downtown Wylie on the Billboard.

The Downtown Merchants Association is currently pursuing improvements to Downtown Wylie and Olde City Park. The plan is to provide speakers and all the equipment necessary to have music playing year round similar to Firewheel mall. The system can also be used to promote community events. As a member of the Merchants Budget Committee, WEDC staff is researching what equipment is needed and the associated cost. The Committee believes that the improvements should not be phased but a system should be identified which will provide a long-term solution to the identified goal.

Staff proposed that the advertising funds from the billboard be reallocated to participate in the start-up costs for an audio system for Downtown Wylie and Olde City Park. Should the Board approve this commitment, a Budget Transfer would be required to reallocate \$9,200 from advertising to community development.

Staff recommended that the WEDC Board of Directors approve Budget Transfer EDC 2-21-11 in the amount of \$9,200 to support audio improvement to Downtown Wylie and Olde City Park.

MOTION: A motion was made by Mitch Herzog and seconded by Chris Seely to approve Budget Transfer EDC 2-21-11 in the amount of \$9,200. The WEDC Board voted 5 – FOR and 0 – AGAINST in favor of the motion.

DISCUSSION ITEMS

ITEM NO. 8 – Staff report: review issues surrounding an Amended and Restated Performance Agreement between the WEDC and Woodbridge Crossing, Kansas City Southern Railway Company, WEDC Budget Amendment, WEDC Administrative Assistant job description, a restaurant recruitment strategy, costs associated with the construction of bridge and roadway improvements to Woodbridge Parkway, 207 Industrial Court, parking improvements to downtown Wylie, and regional housing starts.

The Board members were reminded by staff that the Board may not discuss an item which is not specifically identified on the agenda. Only those items listed on the agenda can be discussed.

Woodbridge Crossing

Woodbridge Crossing is currently in compliance with all terms of the Amended and Restated Performance Agreement. A Sales Tax Reimbursement Report was presented which identifies all sales taxes generated and reimbursed through September 2010 within Woodbridge Crossing for the City General Fund, the WEDC, and the 4B Corporation. As a reminder, the City and WEDC will be reimbursing 85% of all sales taxes generated within Woodbridge Crossing through September 2013. Beginning October 2013, 65% of all sales taxes generated will be reimbursed.

The next performance measure of 64,000 square feet of lease space constructed on the in-line lots adjacent to Target between McCreary and Springwell shall be completed no later than May 1, 2011. There is currently 81,000 square feet under construction slated to be completed by March, 2011. A 'critical dates analysis' was also presented for the Board's review.

Kansas City Southern Railway Company

KCS officials have recently approached the City of Wylie to discuss the potential rezoning of property east of Wal Mart from Corridor Commercial (CC) to Heavy Industry (HI). Three hundred feet of land adjacent to State Highway 78 running the length of KCS's property is currently zoned CC with all land to the north zoned HI. The original purpose of the CC zoning was to provide a buffer to the homes off of Kreymer and Cimarron Estates. The much more restrictive CC would hamper the development of the property for distribution/industrial purposes.

Staff stated its belief that the current CC zoning on the south side of 78 provides the necessary buffer and a blended Light Industrial/HI zoning will maximize the use of the property to the north as well as maximize future value.

WEDC Budget Amendment

The City of Wylie Finance Department was unable to process the WEDC Budget Amendment approved on January 21, 2011 based upon the decision by WEDC and City staff that the Amendment must be approved by the Wylie City Council. Staff will be presenting the Amendment to Council on March 8, 2011.

WEDC Administrative Assistant Job Description

As directed by the WEDC Board in Executive Session, staff is updating the WEDC Administrative Secretary job description to more accurately reflect that position's duties. Staff anticipates presentation of a new job description and a salary range adjustment at the March Board meeting to potentially be implemented at mid-year.

The existing Administrative Secretary job description and salary range was presented for the Board's review.

Restaurant Recruitment Strategy

In August, 2010 staff presented to the Board a retail recruitment proposal from Catalyst Commercial. The proposal offered a comprehensive update to the Retail Trade Area Report (including updated demographics) performed by The Retail Coach originally in 2007. Because of the momentum underway within Woodbridge Crossing and the cost of \$50,000, the WEDC Board declined the opportunity presented by Catalyst. The 2007 Retail Coach proposal which has been updated several times (most recently in January 2011) was provided for the Board's review.

While discussions with Catalyst were initiated by staff to gather fresh marketing materials, the primary goal was to generate additional interest from retail and restaurant users. With Woodbridge Crossing rebounding from the retail downturn, staff would like to consider once again what the WEDC can do to facilitate commercial activity, specifically restaurant activity which is one of the most underserved aspects of our local economy. In explaining our needs to the President of the Retail Coach, a Restaurant Recruitment Strategy was suggested which would attempt to generate restaurant activity at a much reduced rate of \$14,000.

The Restaurant Recruitment Strategy by the Retail Coach outlined a process under which the area restaurant market would be inventoried and analyzed to determine which restaurants do not have a presence in this area and if the concept would be a good fit based upon Wylie demographics. From that point the list is narrowed to the 20 most suitable restaurants with a targeted marketing packet distributed and a follow contact made in person or by phone.

The Board requested that the item be placed on the next agenda as an action item and for staff to determine if the study could be completed prior to ICSC in May. The Board further directed staff to reallocate funds required for the study from within the existing budget and not reduce the incentive budget.

Woodbridge Parkway Bridge/Roadway Improvements

The extension of Woodbridge Parkway south from Hensley Lane and the required Maxwell Creek bridge construction has been of particular interest to Mr. Don Herzog over the past several years based upon the difficulty in marketing his properties at 78 and at 544 without north/south access being completed or at minimum commitments in place to complete the improvements. There is approximately 1,200 linear feet of paving required within the Wylie City limits along with a small portion of the 280' bridge. The balance of improvements to 78 is in the Sachse City limits and will have to be constructed by Herzog or the future developer.

Depending on whether the improvements in Wylie are 2 or 4 lanes, the estimated construction cost is between \$1.4 million and \$1.9 million not including right-of-way acquisition. The bridge cost is estimated at \$963,000 with the engineering funded out of a previous County bond issue.

207 Industrial Court

Waterman Plumbing has vacated 207b Industrial Court. Their sign has not been removed as of yet. Staff has not advertised the vacancy in hopes of identifying a small business looking for WEDC assistance which may benefit from the space. Should there be no activity within the next several months; staff will advertise the vacancy in the Wylie News.

Downtown Wylie Parking Improvements

First Baptist Church officials have indicated that they are not interested in deeding over property in downtown Wylie which was the being discussed as a possible WEDC paving project for additional downtown parking. While FBC representatives did not indicate this directly, staff believed that there may exist the belief that the land may have a greater value in the future if sold on the open market. Staff did follow up with the FBC and indicated that there could be a profit sharing agreement over and above WEDC paving costs should the property be sold in the future.

The Board directed staff to keep the lines of communication open with the FBC on this topic in the event that their position changes.

Regional Housing Starts

Wylie permitted 23 new homes in January down from the 2010 figure of 28.

Staff Recommendation

No action was requested by staff.

The WEDC Board recessed at 8:05 for a two minute break before Executive Session.

EXECUTIVE SESSION

The WEDC Board recessed into Closed Session at 8:07 a.m. in compliance with Section 551.001, et.seq. Texas Government Code, to wit:

Section 551.071 (Consultation with Attorney) of the Local Government Code, Vernon's Texas Code Annotated (Open Meetings Act).

- Deliberate a pending or contemplated litigation surrounding Project Re-tool.

Section 551.087 (Economic Development Negotiations) of the Local Government Code, Vernon's Texas Code Annotated (Open Meetings Act).

- Deliberate economic development negotiations surrounding Project Re-tool.
- Deliberate economic development negotiations with The Sooner Group.

RECONVENE INTO OPEN MEETING

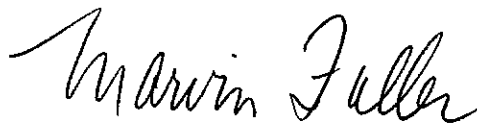
The WEDC Board of Directors reconvened into open session at 8:33 a.m.

The Board requested that staff schedule a WEDC Board meeting on March 2nd or 3rd to consult with WEDC counsel on the next course of action.

No action was taken.

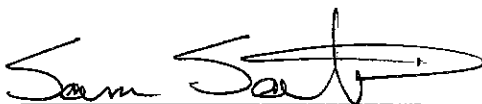
ADJOURNMENT

With no further business, President Fuller adjourned the WEDC Board meeting at 8:33 a.m.



Marvin Fuller, President

ATTEST:



Samuel D.R. Satterwhite
Executive Director